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Los Angeles World Airports

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Dockets Management System  
U.S. Department of Transportation  
Room Plaza 401  
400 Seventh Street, S.W.  
Washington, D.C. 20590

**Subject: Comments on Docket No. FAA-2001-11172 - 3**

LAX  
Ontario  
Van Nuys  
Palmdale

Los Angeles World Airports (LAWA) has reviewed the Notice of Proposed Rule Making contained in the Federal Register (66FR66238), to add 14 CFR Part 154 entitled "Procedures for Reimbursement of Airports, On-Airport Parking Lots and Vendors of On-Airfield Direct Services to Air Carriers for Security Mandates" dated December 21<sup>st</sup>, 2001. Our comments are as follows:

**City of Los Angeles**

James K. Hahn  
Mayor

**Board of Airport Commissioners**

Theodore Stein, Jr.  
President

Warren W. Valdry  
Vice President

Eileen N. Lovino  
Cheryl K. Peterson  
Armando Vergara, Sr.  
Mahala Walter  
Leland Wong

Lydia H. Kennard  
Executive Director

**Part 154, Subpart A, Section 154.3 – Definitions – "Eligible Security Requirement"**

The definition is too restrictive. LAWA undertook security measures in response to input and directives not only from the FAA, but also from the FBI and other Federal law enforcement agencies. Airports should be reimbursed for any direct costs related to the security measures they undertook in response to their input, with or without a formal directive.

**Part 154, Subpart A, Section 154.3 – Definitions – "Prudent Measures"**

See comments related to "Eligible Security Requirement". The airport undertook security measures above and beyond those imposed by specific security directives and amendments to the Airport Security Program in response to requests and recommendations from the FAA, FBI and other Federal agencies. The costs related to these measures should be considered allowable direct costs. Airports should not be penalized for cooperatively implementing the requests of Federal security personnel.

LAWA continued to keep its interior parking structures closed even after being granted a waiver by the FAA due to input from Federal agencies that they needed additional time to assess threats that had been made against the airport. The airport also did not want to reopen its central terminal area to regular traffic as it would have created the potential for impeding emergency and law enforcement vehicle access in response to a security alert or threat. The lost revenue from this closure should be considered a reimbursable direct cost. (See below)

**Part 154, Subpart A, Section 154.3 – Definitions – "Unallowable Costs"**

Lost revenue related to the complete closure of the airport during September 11<sup>th</sup>-14<sup>th</sup> should be an allowable direct cost reimbursable to the Airports. It is a direct cost related to a specific security measure mandated by the FAA, namely the closure of the Airports, and should include lost landing fee income, concession income and parking fees from on-airport and off-airport parking lots.

Lost revenue should also be an allowed direct cost since September 14<sup>th</sup> for flight cancellations due to stepped up security measures, for lost concession revenue

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due to the FAA imposed security measure prohibiting individuals without tickets from going through screening, and for parking lots and spaces closed due to specific FAA security directives and as "prudent measures" related to input from the FAA and other Federal agencies. Lost concession income is a particular concern at LAX where 95 percent of the concessions are located past screening and the Federal restriction on non-ticketed individuals prohibits their access to these facilities. The lost revenue related to the reduced concession income should therefore be considered a direct cost borne by the airport in response to a specific security directive imposed by the FAA.

The Airport was also impacted greatly by the 300 foot clear zones mandated by the FAA as it initially required the closure of the bulk of our airport parking structures, which are located within the clear zone. Even after the airport was granted a "waiver" it kept the Central Terminal Area, including the parking structures, closed to public traffic as a "prudent measure" due to concerns shared by Federal security officials that traffic would impede emergency and law enforcement vehicle access in response to a security alert or threat. The lost revenue from this closure should be considered a reimbursable direct cost.

On-Airport Parking Lots were identified as one of the entities deemed eligible for reimbursement of direct costs incurred by such operator to comply with new, additional, or revised security requirements imposed by the FAA or TSA. This clearly shows the intent to reimburse the operator of on-airport parking lots for lost revenues as an eligible direct cost. LAWA is the sole owner of on-airport parking lots at its airports.

Capital costs are another category that should be considered an eligible direct cost to be reimbursable by the TSA. The Airport is facing considerable capital costs in minor and major modifications to its terminals in order to accommodate new scanning and detection equipment mandated by the FAA and TSA. These are in fact direct costs related to security directives and requirements set by the FAA. Further, these costs should be reimbursed by the FAA and the TSA rather than requiring the airport to divert AIP funds from established projects to this purpose.

Sincerely yours,



Lydia H. Kennard  
Executive Director

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